



LACLEDE COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1998

**From The Office Of State Auditor
Claire McCaskill**

Report No. 99-120
December 28, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

December 1999

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Laclede, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Laclede County was a financial and compliance audit of various county operating funds.

- The county overspent budgets for some county funds during 1997 and 1998. The audit recommended officials not authorize warrants in excess of budgeted amounts.

The audit also includes some matters upon which the county should consider and take appropriate corrective action, which includes seeking more timely reimbursement of criminal costs.

YELLOW SHEET

LACLEDE COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
State Auditor's Reports:	2-6
Financial Statements	3-4
Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	5-6
Financial Statements:	7-31
<u>Exhibit</u>	<u>Description</u>
A-1	Statement of Receipts, Disbursements, and Changes in Cash - Various Funds Year Ended December 31, 1998
A-2	Year Ended December 31, 1997
	8 9
	<u>General Revenue Fund</u>
B	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997
	10
	<u>Special Road and Bridge Fund</u>
C	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997
	11
	<u>Assessment Fund</u>
D	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997
	12
	<u>Law Enforcement Training Fund</u>
E	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997
	13

LACLEDE COUNTY, MISSOURI

TABLE OF CONTENTS

Page

FINANCIAL SECTION

Financial Statements:

<u>Exhibit</u>	<u>Description</u>	
F	<u>Prosecuting Attorney Training Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	14
G	<u>Prosecuting Attorney Bad Check Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	15
H	<u>Enhanced 911 Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	16
I	<u>Law Enforcement Sales Tax Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	17
J	<u>Recorder's User Fees Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	18
K	<u>Prosecuting Attorney Delinquent Tax Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	19
L	<u>Law Enforcement Drug Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	20

LACLEDE COUNTY, MISSOURI

TABLE OF CONTENTS

Page

FINANCIAL SECTION

Financial Statements:

<u>Exhibit</u>	<u>Description</u>	
	<u>Map Reserve Fund</u>	
M	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	21
	<u>Sheriff Fund</u>	
N	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	22
	<u>Shelter Abuse Fund</u>	
O	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	23
	<u>County Local Use Tax Fund</u>	
P	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	24
	<u>Law Enforcement Use Tax Fund</u>	
Q	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	25
	<u>Capital Improvement Fund</u>	
R	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	26
	<u>Health Insurance Fund</u>	
S	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	27

LACLEDE COUNTY, MISSOURI

TABLE OF CONTENTS

		<u>Page</u>
<u>FINANCIAL SECTION</u>		
Financial Statements:		
<u>Exhibit</u>	<u>Description</u>	
	<u>Health Center Fund</u>	
T	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	28
	<u>Senate Bill 40 Board Fund</u>	
U	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	29
	<u>Circuit Clerk Interest Fund</u>	
V	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	30
	<u>Law Library Fund</u>	
W	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	31
	Notes to the Financial Statements	32-35
	Schedule:	37-39
	Schedule of Findings, Years Ended December 31, 1998 and 1997	38
	<u>Number</u>	
	<u>Description</u>	
	98-1. Overspending Budgets	38
	Follow-Up on Prior Audit Findings	40-41
<u>SECTION ON OTHER MATTERS</u>		
	Letter on Other Matters	43-44

FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS

To the County Commission
and
Officeholders of Laclede County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Laclede County, Missouri, as of and for the years ended December 31, 1998 and 1997, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

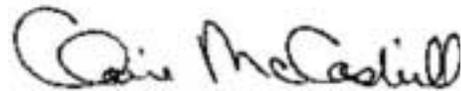
The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Laclede County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Laclede County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Laclede County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 1998 and 1997, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

Laclede County, Missouri, has not presented the disclosures required by Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*,

as amended by GASB Technical Bulletin 99-1, that the GASB has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the county is or will become year 2000-compliant, that the county's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the county does business are or will become year 2000-compliant.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 17, 1999, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

A handwritten signature in black ink, appearing to read "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

August 17, 1999 (fieldwork completion date)



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Laclede County, Missouri

We have audited the special-purpose financial statements of various funds of Laclede County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated August 17, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

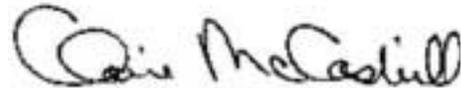
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Laclede County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as finding number 98-1. We also noted certain immaterial instances of noncompliance, which we have reported to the management of the county in the accompanying Letter on Other Matters.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Laclede County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of

performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the county in the accompanying Letter on Other Matters.

This report is intended for the information of the management of Laclede County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

August 17, 1999 (fieldwork completion date)

Financial Statements

Exhibit A-1

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 292,431	2,787,769	2,582,537	497,663
Special Road and Bridge	200,433	905,048	1,002,710	102,771
Assessment	9,406	218,652	219,113	8,945
Law Enforcement Training	51,497	15,832	14,199	53,130
Prosecuting Attorney Training	4,839	2,677	2,690	4,826
Prosecuting Attorney Bad Check	57,636	48,159	38,251	67,544
Enhanced 911 Board	24,461	243,722	210,588	57,595
Law Enforcement Sales Tax	436,898	1,690,472	1,547,421	579,949
Recorder's User Fees	29,589	18,935	944	47,580
Prosecuting Attorney Delinquent Tax	5,763	14,258	7,384	12,637
Law Enforcement Drug	779	39	0	818
Map Reserve	0	2,000	0	2,000
Sheriff	3,586	39,285	38,980	3,891
Shelter Abuse	6,061	20,295	23,184	3,172
County Local Use Tax	247,790	0	36,087	211,703
Law Enforcement Use Tax	84,180	0	84,180	0
Capital Improvement	237,150	25,000	150,000	112,150
Health Insurance	1,644	343,816	305,674	39,786
Health Center	163,702	567,348	524,943	206,107
Senate Bill 40 Board	20,463	225,699	205,693	40,469
Circuit Clerk Interest	3,016	8,495	7,537	3,974
Law Library	16,766	17,755	3,746	30,775
Family Access Fund	0	50	0	50
Juvenile Assessment	0	470	0	470
Total	\$ 1,898,090	7,195,776	7,005,861	2,088,005

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 1997

Fund	Cash,			Cash, December 31
	January 1	Receipts	Disbursements	
General Revenue	\$ 420,254	2,203,579	2,331,402	292,431
Special Road and Bridge	150,446	1,159,484	1,109,497	200,433
Assessment	7,680	247,477	245,751	9,406
Law Enforcement Training	46,558	12,264	7,325	51,497
Prosecuting Attorney Training	5,518	3,560	4,239	4,839
Prosecuting Attorney Bad Check	37,934	40,455	20,753	57,636
Enhanced 911	77,822	231,948	285,309	24,461
Law Enforcement Sales Tax	623,327	1,429,454	1,615,883	436,898
Recorder's User Fees	43,460	16,585	30,456	29,589
Prosecuting Attorney Delinquent Tax	4,056	3,397	1,690	5,763
Law Enforcement Drug	752	27	0	779
Sheriff	0	12,586	9,000	3,586
Shelter Abuse	6,206	14,351	14,496	6,061
County Local Use Tax	247,790	0	0	247,790
Law Enforcement Use Tax	84,180	0	0	84,180
Capital Improvement	207,150	30,000	0	237,150
Health Insurance	1,602	249,853	249,811	1,644
Health Center	129,535	512,599	478,432	163,702
Senate Bill 40 Board	40,995	285,691	306,223	20,463
Circuit Clerk Interest	23,123	7,241	27,348	3,016
Law Library	10,386	9,890	3,510	16,766
Sheriff's Equitable Sharing	3,053	0	3,053	0
Total	\$ 2,171,827	6,470,441	6,744,178	1,898,090

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 229,350	232,935	3,585	65,500	84,129	18,629
Sales taxes	1,383,148	1,439,233	56,085	1,345,000	1,357,922	12,922
Intergovernmental	140,477	184,849	44,372	205,762	158,797	-46,965
Charges for services	724,200	738,443	14,243	444,820	400,017	-44,803
Interest	40,155	55,360	15,205	38,155	52,254	14,099
Other	153,850	126,949	-26,901	149,653	135,263	-14,390
Transfers in	10,000	10,000	0	19,264	15,197	-4,067
Total Receipts	2,681,180	2,787,769	#VALUE!	2,268,154	2,203,579	#VALUE!
DISBURSEMENTS						
County Commission	84,300	81,622	2,678	82,520	82,081	439
County Clerk	84,610	84,510	100	83,180	81,989	1,191
Elections	63,513	52,417	11,096	35,500	27,988	7,512
Buildings and grounds	350,000	395,196	-45,196	161,000	158,321	2,679
Employee fringe benefits	123,500	65,121	58,379	97,500	66,870	30,630
County Treasurer	31,360	30,467	893	30,860	30,652	208
County Collector	83,780	82,451	1,329	80,180	80,056	124
Ex Officio Recorder of Deeds	50,650	51,310	-660	50,380	50,378	2
Circuit Clerk	39,925	39,794	131	31,828	31,828	0
Associate Circuit Court	6,615	6,615	0	10,212	10,212	0
Court administration	32,187	11,848	20,339	28,000	11,381	16,619
Public Administrator	53,220	51,979	1,241	45,650	36,106	9,544
Sheriff	382,501	381,678	823	431,155	384,779	46,376
Jail	372,760	385,112	-12,352	265,682	263,917	1,765
Prosecuting Attorney	167,775	163,450	4,325	156,980	154,552	2,428
Juvenile Officer	163,756	158,663	5,093	141,545	127,885	13,660
County Coroner	16,080	12,613	3,467	15,880	12,220	3,660
Postage	40,000	42,158	-2,158	38,000	37,999	1
Mail Clerk	6,860	4,888	1,972	0	0	0
Public health and welfare services	3,000	2,327	673	3,000	1,200	1,800
Insurance and bonds	75,000	57,193	17,807	80,000	71,450	8,550
University extension	37,877	37,877	0	39,012	35,244	3,768
Other	176,303	100,153	76,150	100,400	90,302	10,098
Transfers out	235,595	283,095	-47,500	516,411	483,992	32,419
Emergency Fund	85,000	0	85,000	73,000	0	73,000
Total Disbursements	2,766,167	2,582,537	183,630	2,597,875	2,331,402	266,473
RECEIPTS OVER (UNDER) DISBURSEMENTS	-84,987	205,232	#VALUE!	-329,721	-127,823	#VALUE!
CASH, JANUARY 1	292,431	292,431	0	420,254	420,254	0
CASH, DECEMBER 31	\$ 207,444	497,663	#VALUE!	90,533	292,431	#VALUE!

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL ROAD AND BRIDGE FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 2,000	2,090	90	1,700	2,021	321
Intergovernmental	1,108,448	819,431	-289,017	696,658	755,937	59,279
Interest	3,000	6,313	3,313	4,000	6,862	2,862
Other	14,999	32,214	17,215	313,900	119,664	-194,236
Transfers in	45,000	45,000	0	275,000	275,000	0
Total Receipts	1,173,447	905,048	-268,399	1,291,258	1,159,484	-131,774
DISBURSEMENTS						
Salaries	380,000	364,196	15,804	340,000	335,639	4,361
Employee fringe benefits	67,540	26,344	41,196	60,100	37,372	22,728
Supplies	70,000	64,646	5,354	70,000	87,571	-17,571
Insurance	10,000	7,283	2,717	14,000	7,403	6,597
Road and bridge materials	137,000	109,436	27,564	170,000	102,526	67,474
Equipment repairs	70,000	124,564	-54,564	70,000	121,716	-51,716
Rentals	2,000	535	1,465	1,000	1,196	-196
Equipment purchases	117,875	119,785	-1,910	144,000	144,068	-68
Construction, repair, and maintenance	301,000	23,581	277,419	301,000	0	301,000
Other	95,118	107,390	-12,272	219,496	232,329	-12,833
Transfers out	47,000	54,950	-7,950	33,912	39,677	-5,765
Total Disbursements	1,297,533	1,002,710	294,823	1,423,508	1,109,497	314,011
RECEIPTS OVER (UNDER) DISBURSEMENTS	-124,086	-97,662	26,424	-132,250	49,987	182,237
CASH, JANUARY 1	200,433	200,433	0	150,446	150,446	0
CASH, DECEMBER 31	\$ 76,347	102,771	26,424	18,196	200,433	182,237

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 ASSESSMENT FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 204,186	189,683	-14,503	200,078	204,759	4,681
Interest	1,000	2,358	1,358	1,700	1,694	-6
Other	4,400	7,008	2,608	3,300	7,032	3,732
Transfers in	10,595	19,603	9,008	41,410	33,992	-7,418
Total Receipts	220,181	218,652	-1,529	246,488	247,477	989
DISBURSEMENTS						
Assessor	205,887	189,733	16,154	237,212	221,276	15,936
Transfers out	23,700	29,380	-5,680	16,956	24,475	-7,519
Total Disbursements	229,587	219,113	10,474	254,168	245,751	8,417
RECEIPTS OVER (UNDER) DISBURSEMENTS	-9,406	-461	8,945	-7,680	1,726	9,406
CASH, JANUARY 1	9,406	9,406	0	7,680	7,680	0
CASH, DECEMBER 31	\$ 0	8,945	8,945	0	9,406	9,406

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LAW ENFORCEMENT TRAINING FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 0	2,934	2,934	4,000	2,499	-1,501
Charges for services	0	10,326	10,326	7,000	7,371	371
Interest	0	2,572	2,572	1,500	2,394	894
Total Receipts	0	15,832	15,832	12,500	12,264	-236
DISBURSEMENTS						
Sheriff	25,000	14,199	10,801	25,000	7,325	17,675
Total Disbursements	25,000	14,199	10,801	25,000	7,325	17,675
RECEIPTS OVER (UNDER) DISBURSEMENTS	-25,000	1,633	26,633	-12,500	4,939	17,439
CASH, JANUARY 1	51,497	51,497	0	46,558	46,558	0
CASH, DECEMBER 31	\$ 26,497	53,130	26,633	34,058	51,497	17,439

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY TRAINING FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 3,800	2,440	-1,360	3,800	3,302	-498
Interest	300	237	-63	200	258	58
Total Receipts	4,100	2,677	-1,423	4,000	3,560	-440
DISBURSEMENTS						
Prosecuting Attorney	4,000	2,690	1,310	4,000	4,239	-239
Total Disbursements	4,000	2,690	1,310	4,000	4,239	-239
RECEIPTS OVER (UNDER) DISBURSEMENTS	100	-13	-113	0	-679	-679
CASH, JANUARY 1	4,839	4,839	0	5,518	5,518	0
CASH, DECEMBER 31	\$ 4,939	4,826	-113	5,518	4,839	-679

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY BAD CHECK FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 24,000	44,802	20,802	23,000	38,287	15,287
Interest	1,000	3,357	2,357	700	2,168	1,468
Total Receipts	25,000	48,159	23,159	23,700	40,455	16,755
DISBURSEMENTS						
Prosecuting Attorney	53,676	24,793	28,883	35,673	18,283	17,390
Transfer out	13,458	13,458	0	1,884	2,470	-586
Total Disbursements	67,134	38,251	28,883	37,557	20,753	16,804
RECEIPTS OVER (UNDER) DISBURSEMENTS	-42,134	9,908	52,042	-13,857	19,702	33,559
CASH, JANUARY 1	57,636	57,636	0	37,934	37,934	0
CASH, DECEMBER 31	\$ 15,502	67,544	52,042	24,077	57,636	33,559

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 ENHANCED 911 FUND

Year Ended December 31,							
1998				1997			
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
RECEIPTS							
Charges for services	\$	228,000	240,557	12,557	263,098	228,369	-34,729
Interest		3,500	3,165	-335	2,500	3,579	1,079
Total Receipts		231,500	243,722	12,222	265,598	231,948	-33,650
DISBURSEMENTS							
Salaries		165,995	137,537	28,458	171,150	167,072	4,078
Office expenditures		0	0	0	4,150	5,371	-1,221
Equipment		2,000	5,054	-3,054	15,000	11,716	3,284
Mileage and training		1,600	2,362	-762	6,500	4,152	2,348
Other		41,335	39,505	1,830	54,200	41,233	12,967
Transfer out		21,618	26,130	-4,512	48,840	55,765	-6,925
Total Disbursements		232,548	210,588	21,960	299,840	285,309	14,531
RECEIPTS OVER (UNDER) DISBURSEMENTS		-1,048	33,134	34,182	-34,242	-53,361	-19,119
CASH, JANUARY 1		24,461	24,461	0	77,822	77,822	0
CASH, DECEMBER 31	\$	23,413	57,595	34,182	43,580	24,461	-19,119

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LAW ENFORCEMENT SALES TAX FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales Tax	\$ 1,382,262	1,436,837	54,575	1,345,000	1,355,159	10,159
Interest	15,000	19,455	4,455	10,000	24,295	14,295
Transfer in	581,970	234,180	-347,790	50,000	50,000	0
Total Receipts	1,979,232	1,690,472	-288,760	1,405,000	1,429,454	24,454
DISBURSEMENTS						
Facility project	418,000	199,570	218,430	200,000	187,775	12,225
Bond payments	1,364,938	1,272,041	92,897	1,362,596	1,277,855	84,741
Land payments	74,000	75,810	-1,810	0	89,358	-89,358
Other	400,000	0	400,000	0	60,895	-60,895
Total Disbursements	2,256,938	1,547,421	709,517	1,562,596	1,615,883	-53,287
RECEIPTS OVER (UNDER) DISBURSEMENTS	-277,706	143,051	420,757	-157,596	-186,429	-28,833
CASH, JANUARY 1	436,898	436,898	0	623,327	623,327	0
CASH, DECEMBER 31	\$ 159,192	579,949	420,757	465,731	436,898	-28,833

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 RECORDER'S USER FEES FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for Services	\$ 15,000	15,978	978	14,500	14,274	-226
Interest	2,000	2,957	957	1,970	2,311	341
Total Receipts	17,000	18,935	1,935	16,470	16,585	115
DISBURSEMENTS						
Recorder	7,323	944	6,379	48,771	30,456	18,315
Total Disbursements	7,323	944	6,379	48,771	30,456	18,315
RECEIPTS OVER (UNDER) DISBURSEMENTS	9,677	17,991	8,314	-32,301	-13,871	18,430
CASH, JANUARY 1	29,589	29,589	0	43,460	43,460	0
CASH, DECEMBER 31	\$ 39,266	47,580	8,314	11,159	29,589	18,430

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY DELINQUENT TAX FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Intergovernmental	\$	3,000	13,719	10,719	1,000	3,126	2,126
Interest		0	539	539	0	271	271
Total Receipts		3,000	14,258	11,258	1,000	3,397	2,397
DISBURSEMENTS							
Salaries		1,700	7,384	-5,684	1,000	1,665	-665
Other		265	0	265	160	25	135
Total Disbursements		1,965	7,384	-5,419	1,160	1,690	-530
RECEIPTS OVER (UNDER) DISBURSEMENTS		1,035	6,874	5,839	-160	1,707	1,867
CASH, JANUARY 1		5,763	5,763	0	4,056	4,056	0
CASH, DECEMBER 31	\$	6,798	12,637	5,839	3,896	5,763	1,867

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LAW ENFORCEMENT DRUG FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	0	39	39	0	27	27
Total Receipts	0	39	39	0	27	27
DISBURSEMENTS						
Office expenditures	779	0	779	0	0	0
Total Disbursements	779	0	779	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	-779	39	818	0	27	27
CASH, JANUARY 1	779	779	0	752	752	0
CASH, DECEMBER 31	\$ 0	818	818	752	779	27

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 MAP RESERVE FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Transfer in	\$ 2,000	2,000	0
Total Receipts	2,000	2,000	0
DISBURSEMENTS			
Map reserve	0	0	0
Total Disbursements	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,000	2,000	0
CASH, JANUARY 1	0	0	0
CASH, DECEMBER 31	\$ 2,000	2,000	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SHERIFF FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 20,000	36,298	16,298
Interest	0	2,987	2,987
Total Receipts	20,000	39,285	19,285
DISBURSEMENTS			
Sheriff	20,000	38,980	-18,980
Total Disbursements	20,000	38,980	-18,980
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	305	305
CASH, JANUARY 1	3,586	3,586	0
CASH, DECEMBER 31	\$ 3,586	3,891	305

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SHELTER ABUSE FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 10,000	13,844	3,844
Charges for services	4,500	6,160	1,660
Interest	0	291	291
Total Receipts	14,500	20,295	5,795
DISBURSEMENTS			
Domestic violence shelter	20,561	23,184	-2,623
Total Disbursements	20,561	23,184	-2,623
RECEIPTS OVER (UNDER) DISBURSEMENTS	-6,061	-2,889	3,172
CASH, JANUARY 1	6,061	6,061	0
CASH, DECEMBER 31	\$ 0	3,172	3,172

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit P

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 COUNTY LOCAL USE TAX FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 0	0	0
Total Receipts	0	0	0
DISBURSEMENTS			
Construction	247,790	36,087	211,703
Total Disbursements	247,790	36,087	211,703
RECEIPTS OVER (UNDER) DISBURSEMENTS	-247,790	-36,087	211,703
CASH, JANUARY 1	247,790	247,790	0
CASH, DECEMBER 31	\$ 0	211,703	211,703

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Q

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LAW ENFORCEMENT USE TAX FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 0	0	0
Total Receipts	0	0	0
DISBURSEMENTS			
Transfer out	84,180	84,180	0
Total Disbursements	84,180	84,180	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	-84,180	-84,180	0
CASH, JANUARY 1	84,180	84,180	0
CASH, DECEMBER 31	\$ 0	0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit R

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 CAPITAL IMPROVEMENT FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Transfer in	25,000	25,000	0
Total Receipts	25,000	25,000	0
DISBURSEMENTS			
Transfer out	200,000	150,000	50,000
Total Disbursements	200,000	150,000	50,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	-175,000	-125,000	50,000
CASH, JANUARY 1	237,150	237,150	0
CASH, DECEMBER 31	\$ 62,150	112,150	50,000

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit S

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 HEALTH INSURANCE FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 0	946	946
Other	0	37,460	37,460
Transfer in	\$ 290,000	305,410	15,410
Total Receipts	<u>290,000</u>	<u>343,816</u>	<u>53,816</u>
DISBURSEMENTS			
Health insurance premiums	<u>290,000</u>	<u>305,674</u>	<u>-15,674</u>
Total Disbursements	<u>290,000</u>	<u>305,674</u>	<u>-15,674</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	38,142	38,142
CASH, JANUARY 1	<u>1,644</u>	<u>1,644</u>	<u>0</u>
CASH, DECEMBER 31	<u>\$ 1,644</u>	<u>39,786</u>	<u>38,142</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit T

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 HEALTH CENTER FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property Taxes	\$ 231,000	246,377	15,377	178,000	193,212	15,212
Intergovernmental	282,469	260,810	-21,659	222,166	266,137	43,971
Charges for services	22,000	26,846	4,846	17,000	20,140	3,140
Interest	7,000	10,779	3,779	6,373	8,609	2,236
Other	10,500	22,536	12,036	20,500	24,501	4,001
Total Receipts	552,969	567,348	14,379	444,039	512,599	68,560
DISBURSEMENTS						
Salaries	400,723	386,573	14,150	332,894	340,052	-7,158
Office expenditures	78,100	61,398	16,702	50,500	60,126	-9,626
Equipment	36,060	59,994	-23,934	31,200	53,125	-21,925
Mileage and training	10,500	7,658	2,842	8,600	6,377	2,223
Other	191,188	9,320	181,868	150,280	18,752	131,528
Total Disbursements	716,571	524,943	191,628	573,474	478,432	95,042
RECEIPTS OVER (UNDER) DISBURSEMENTS	-163,602	42,405	206,007	-129,435	34,167	163,602
CASH, JANUARY 1	163,702	163,702	0	129,535	129,535	0
CASH, DECEMBER 31	\$ 100	206,107	206,007	100	163,702	163,602

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit U

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SENATE BILL 40 BOARD FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Property taxes	\$	88,250	224,690	136,440	272,470	284,266	11,796
Intergovernmental		0	423	423	2,000	970	-1,030
Interest		100	586	486	0	455	455
Other		1,500	0	-1,500	0	0	0
Total Receipts		89,850	225,699	135,849	274,470	285,691	11,221
DISBURSEMENTS							
Contract services		82,950	201,907	-118,957	264,620	303,812	-39,192
Office expenditures		100	161	-61	2,800	191	2,609
Mileage and training		100	0	100	2,500	0	2,500
Legal fees		5,000	2,625	2,375	2,500	500	2,000
Insurance and bonds		1,750	1,000	750	2,050	1,720	330
Total Disbursements		89,900	205,693	-115,793	274,470	306,223	-31,753
RECEIPTS OVER (UNDER) DISBURSEMENTS		-50	20,006	20,056	0	-20,532	-20,532
CASH, JANUARY 1		10,118	20,463	10,345	40,995	40,995	0
CASH, DECEMBER 31	\$	10,068	40,469	30,401	40,995	20,463	-20,532

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit V

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 CIRCUIT CLERK INTEREST FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	5,000	8,495	3,495	5,200	7,241	2,041
Total Receipts	5,000	8,495	3,495	5,200	7,241	2,041
DISBURSEMENTS						
Equipment	6,000	7,537	-1,537	20,000	21,151	-1,151
Transfer out	14	0	14	7,582	6,197	1,385
Total Disbursements	6,014	7,537	-1,523	27,582	27,348	234
RECEIPTS OVER (UNDER) DISBURSEMENTS	-1,014	958	1,972	-22,382	-20,107	2,275
CASH, JANUARY 1	3,016	3,016	0	23,123	23,123	0
CASH, DECEMBER 31	\$ 2,002	3,974	1,972	741	3,016	2,275

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit W

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LAW LIBRARY FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for Services	\$ 9,900	16,795	6,895	5,400	9,417	4,017
Interest	0	960	960	200	473	273
Total Receipts	9,900	17,755	7,855	5,600	9,890	4,290
DISBURSEMENTS						
Law Library	15,000	3,746	11,254	10,000	3,510	6,490
Total Disbursements	15,000	3,746	11,254	10,000	3,510	6,490
RECEIPTS OVER (UNDER) DISBURSEMENTS	-5,100	14,009	19,109	-4,400	6,380	10,780
CASH, JANUARY 1	16,766	16,766	0	10,386	10,386	0
CASH, DECEMBER 31	\$ 11,666	30,775	19,109	5,986	16,766	10,780

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

LACLEDE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Laclede County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board, or the Senate Bill 40 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1998, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Sheriff Fund	1997
Shelter Abuse Fund	1997
County Local Use Tax Fund	1997
Law Enforcement Use Tax Fund	1997
Capital Improvement Fund	1997
Health Insurance Fund	1997
Family Access Fund	1998
Sheriff's Equitable Sharing Fund	1997
Juvenile Assessment Fund	1998

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Prosecuting Attorney Training Fund	1997
Law Enforcement Sales Tax Fund	1997
Sheriff Fund	1998
Shelter Abuse Fund	1998
Health Insurance Fund	1998
Senate Bill 40 Board Fund	1998 and 1997
Circuit Clerk Interest Fund	1998

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Map Reserve Fund	1998
Shelter Abuse Fund	1998 and 1997
Health Insurance Fund	1997
Health Center Fund	1998 and 1997
Senate Bill 40 Board Fund	1998 and 1997
Circuit Clerk Interest Fund	1998 and 1997
Law Library Fund	1998 and 1997
Sheriff's Equitable Sharing Fund	1997
Family Access Fund	1998
Juvenile Assessment Fund	1998

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1998, effective August 28, 1997, requires political subdivisions with existing authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 1998 and 1997, were entirely covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name.

The Health Center Board's deposits at December 31, 1998 and 1997, were entirely covered by federal depositary insurance, by insurance provided through a surety bond, or by collateral securities held by the Board's custodial bank in the Board's name.

The Senate Bill 40 Board's deposits at December 31, 1998 and 1997, were entirely covered by federal depositary insurance. However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed at those times although not at year-end.

To protect the safety of county deposits, Section 110.020, RSMo 1994, requires depositaries to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

3. Use Tax Liability

The local use tax under Section 144.748, RSMo 1994, was struck down in its entirety by the Missouri Supreme Court in *Associated Industries of Missouri v. Director of Revenue*, 918 S.W.2d 780 (Mo. banc 1996). In *St. Charles County v. Director of Revenue*, 961 S.W.2d 44 (Mo. banc 1998), the Missouri Supreme Court ruled that local use taxes paid prior to the repeal of Section 144.748, RSMo 1994, must be refunded to taxpayers and authorized the Department of Revenue (DOR) to withhold amounts otherwise due to political subdivisions to the extent such withholding is necessary to cover the refund expense. On March 24, 1998, the Cole County Circuit Court entered final judgment in accordance with the Supreme Court's opinion and ordered the DOR to process refund claims filed.

The county has received \$353,747 in local use tax since its inception. The DOR has estimated the county's share of the total refund liability to be \$161,932. As of December 31, 1998, \$69,962 remains to be paid.

Schedule

LACLEDE COUNTY, MISSOURI
 SCHEDULE OF FINDINGS
 YEARS ENDED DECEMBER 31, 1998 AND 1997

This schedule includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

98-1. Overspending Budgets

Disbursements were made in excess of the approved budgets in the following funds during the two years ended December 31, 1998, as follows:

Fund	<u>Year Ended December 31,</u>	
	1998	1997
Prosecuting Attorney Training 239	\$	N/A
Law Enforcement Sales Tax	N/A	53,287
Sheriff	18,980	N/A
Shelter Abuse	2,623	N/A
Health Insurance	15,674	N/A
Senate Bill 40 Board	115,793	31,753
Circuit Clerk Interest	1,523	N/A

It was ruled in State ex. rel. Strong v. Cribb, 364 Mo. 1122, SW 2d 246 (1954), that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition, Section 50.622, RSMo Supp. 1998, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend its budget.

WE RECOMMEND the County Commission ensure the county and applicable officials and/or boards do not authorize disbursements in excess of budgeted expenditures. If valid reasons necessitate excess expenditures, the original budget should be formally amended.

AUDITEE'S RESPONSE

The County Commission provided the following response:

It is our desire to do the best we can to stay within the approved budgeted amounts. We inadvertently allowed the Prosecutor's Training Fund and Law Enforcement Sales Tax Fund to exceed the 1997 budgeted expenditure amount. We had sufficient monies in those funds to cover the excess expenditures, but did not complete the proper documentation of the changes.

Our Health Insurance Fund was set up when we were self-insured in 1997 and 1998. We since have changed to MO Consolidated Insurance. We now pay a set monthly premium. The Health Insurance Fund has been used in 1999, for run-out of past claims and we plan to close the fund out in 2000.

Concerning the excess spending in the Circuit Clerk Interest Fund and Sheriff Fund, we will advise them that they are to request a hearing for any necessary expenditures that exceed their budgeted expenditures in their special accounts. We will also request that the County Treasurer track the expenditures she writes from the Sheriff's Fund to assure the fund does not exceed the budget.

We intend to discuss with the Senate Bill 40 Board and Shelter Abuse recipients the statutory guidelines they should comply with concerning necessitated excess expenditures in their budgets.

The Senate Bill 40 Board provided the following response:

Budgets will be monitored on a quarterly basis.

Follow-Up on Prior Audit Findings

LACLEDE COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

SECTION ON OTHER MATTERS

LACLEDE COUNTY, MISSOURI
LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Laclede County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated August 17, 1999.

We did not review the operations of elected officials with funds other than those presented in the special-purpose financial statements. The operations of such officials will be reviewed and reported on during the state auditor's next scheduled audit of the county.

This Letter on Other Matters presents matters other than the findings, if any, reported in the accompanying Schedule of Findings. These matters resulted from our audit of the special-purpose financial statements of Laclede County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*. Nevertheless, the county should consider these matters and take appropriate corrective action.

1. Budgets and Published Financial Statements

Budgets were not prepared for various funds for the two years ended December 31, 1998. The county's annual published financial statements did not include the financial activity of several county funds.

2. County Expenditures

The county did not always solicit bids nor was bid documentation always retained for various purchases. Purchases totaling \$18,134 were made from the Recorder's User Fee Fund for equipment that is being utilized by the Circuit Clerk's office.

3. Criminal Cost Reimbursement

The county does not have adequate procedures for collecting and monitoring amounts assessed by the courts. Section 221.105, RSMo Supp. 1998, allows for the reimbursement of certain costs (primarily including board cost paid by the county) in criminal cases when the state has been rendered liable. The Circuit Clerk has not been submitting criminal cost reimbursement requests to the state in a timely manner. Many bills were held almost two years prior to being submitted for reimbursement. The county received approximately \$54,000 and \$7,000 in criminal cost reimbursements during the years ended December 31, 1997 and 1998, respectively. In 1999, the Circuit Clerk reviewed his files and submitted requests. The county received approximately \$151,000 in criminal cost reimbursements during the first seven months of 1999. We also found some cases where monies had been assessed by the courts that were not adequately followed up by the court.

4. Senate Bill 40 Board

The Senate Bill 40 Board's budget did not adequately reflect the board's financial condition. The actual cash balances, receipt, and disbursement amounts were not accurately reflected on the budget. Also, the board's monitoring procedures were deficient to ensure funds on deposit were adequately covered by collateral securities and coverage was deficient by approximately \$154,000 and \$56,000 in January 1999 and 1998, respectively.

This Letter on Other Matters is intended for the information of the management of Laclede County, Missouri, and other applicable government officials. However, this letter is a matter of public record and its distribution is not limited.

* * * * *